**President Obama Signs Credit Card Bill of Rights into Law;**

**Includes Price-Miller Amendment to Strengthen Consumer Protection**

Washington, D.C. - Today, President Obama signed into law the Credit Cardholders' Bill of Rights (H.R. 627) to reform the credit card industry and provide consumer protections from unfair business practices. **Rep. Brad Miller (NC-13)** attended the signing of H.R. 627 at a White House Rose Garden ceremony this afternoon.

The final version of H.R. 627 passed by the House and Senate with overwhelming bipartisan majorities of 361 to 64 and 90 to 5, respectively. The bill included an amendment sponsored by Representatives Brad Miller and David Price to help consumers avoid crippling credit card debt by providing additional information on the pitfalls of making only the minimum payment.

"This law will help families avoid falling into the trap of perpetual debt," said **Rep. Brad Miller**. "It will also prevent the abusive practices by credit card companies that trap them."

Provisions from the Price-Miller Amendment included in the final bill would ensure that consumers will receive personalized disclosures that show the total cost, including interest payments, of paying only monthly minimum payment on their credit card balance. The disclosures will also include assessments of the monthly payment they must make to pay off their balance in 36 months. Additionally, the bill and amendment require that consumers receive a general warning that making only the minimum payment will increase the total amount of interest they pay and have access to information on credit counseling and debt management services via a toll-free telephone number.

**Summary of the Credit Cardholders' Bill of Rights**

**1. Cardholders Deserve Protections against Arbitrary Interest Rate Increases.**

- Requires card companies give cardholders 45 days notice of any interest rate increases.
- Gives cardholders the right to cancel their card and pay off their existing balance at the existing interest rate and repayment schedule if they get hit with an interest rate hike; gives cardholders 3 billing cycles after the rate increase to say no to these new terms.
- Prevents card companies from retroactively increasing interest rates on the existing balance of a cardholder in good standing for reasons unrelated to the cardholder's behavior with that card (the so-called "universal default" rate increase).
- Prohibits card companies from arbitrarily changing the terms of their contract with a cardholder, banning the so-called practice of "any-time, any-reason re-pricing."

**2. Cardholders Who Pay on Time Should Not Be Penalized.**

- Prohibits card companies from charging interest on debt that is paid on time during a grace period. This prevents the so-called "double-cycle billing" practice.
- Prohibits card companies from slapping fees on the remaining interest-only balance of a cardholder who has paid his/her bill on time.

**3. Cardholders Should Be Protected from Due Date Gimmicks.**

- Gives cardholders time to pay their bills by requiring card companies to mail billing statements 25 calendar days before the due date (14 days is the current minimum).
- Requires that payments made before 5 p.m. EST on the due date are considered timely.
- Directs card companies to provide on every statement, a phone and internet address that a cardholder can access for payoff balances.
- Prohibits card companies from charging late fees when a cardholder presents proof of mailing his/her bill within 7 days of the due date.

**4. Cardholders Should Be Protected from Misleading Terms.**

- Prevents card companies from using terms such as "fixed rate" and "prime rate" in a misleading or deceptive manner by establishing single, set definitions of those terms.
- Gives cardholders who get pre-approved for a card the right to reject that card up until the moment they activate it without having their credit adversely impacted.

**5. Cardholders Deserve the Right to Set Limits on Their Credit.**

- Requires card companies to offer consumers the option of having a fixed credit limit that cannot be exceeded.
- Prevents card companies from charging over-the-limit fees on a cardholder with a fixed credit limit.

**6. Card Companies Should Fairly Credit and Allocate Payments.**

- Directs card companies to fairly allocate payments on balances at different interest rates. Many card companies currently require cardholders to pay off a lower interest rate balance first.

**7. Card Companies Should Not Impose Excessive Fees on Cardholders.**

- Limits the amount of "over-the-limit" fees card companies are allowed to charge to 3. Some card companies currently charge limitless fees for going over credit limits.

**8. Vulnerable Consumers Should Be Protected From Fee-Heavy Subprime Credit Cards.**

- Requires that all fees for subprime cards, whose total fixed fees over a year exceed 25 percent of the credit limit, be paid up front before the card is issued. These cards are generally targeted to vulnerable consumers.

**9. Congress Should Provide Better Oversight of the Credit Card Industry.**

- Improves existing data collection on industry profits, as well as card fees and rates; requires this information to be presented to Congress every year.

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